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S E C R E T SECTION 01 OF 02 TAIPEI 002452

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SUBJECT: DIRECTOR'S NOVEMBER 6 MEETING WITH DEFENSE  
MINISTER LEE TIEN-YU

Classified By: AIT Director Stephen M. Young,  
Reason: Sec 1.4 (a/b/d)

11. (C/NF) Summary. Director, Stephen Young, met with the Taiwan Minister of Defense Lee Tien-yu to discuss the defense budget, the Director's recent visit to PACOM, F-16, SECDEF's visit to China, and Taiwan's missile program. Present at the meeting were Director Young, Deputy Director Bob Wang, Acting Chief of Technical Section Tony Hu, and Major Cole Shepherd from the Liaison Affairs Section. On the Taiwan side were, Chief of the General Staff Gen Huoh, Vice Minister Ko, Deputy Minister Lt Gen Lin, Director of Strategic Planning Department Vice Adm Tung, and the Minister's Chief of Staff, Maj Gen Hsiong. End Summary.

12. (SBU) Minister Lee opened the meeting by reviewing recent MND activities. He thanked the U.S. for participating in the National Day parade. He noted some opposition Legislative Yuan (LY) members criticized him for having the parade. (Note: Key KMT players like Taipei mayor Hau Long-bin and party presidential candidate Ma Ying-jiu boycotted in favor of their own event. End note.) He believes the parade increased the morale of the soldiers and showcased defense capabilities to the people. He was proud that the execution of the event was nearly flawless. All aircraft were within three seconds of their targeted time over the reviewing stand and no vehicle broke down. Due to low cloud ceiling, the paratrooper jump had to be canceled but the event has been rescheduled for Nov 11 at the Democracy Memorial Hall (formally the Chiang Kai-Shek Memorial Hall).

13. (C/NF) The Minister thanked the Director for talking to leaders of both of Taiwan's main political parties to solicit their support of the defense budget. The Director asked about the prospects for the passage of the defense budget before the LY recess in December. Minister Lee said he is communicating with LY members on the importance of maintaining a strong defense. He requested opposition KMT LY members not to use MND as a tool to undermine DPP. He encouraged them to have a strategic vision and note the military is not the DPP's military but serves all the people of Taiwan. Although many LY members criticize the MND in the open, privately they have indicated support. The Minister is cautiously optimistic that the budget will pass by mid-December. He said although the LY is likely to cut some of the 2008 budget, it should still reach 2.85% - 2.90% of GDP. Minister Lee mentioned his October 30 letter to the

Director urging U.S. support for Taiwan's F-16 request.

¶4. (S/NF) The Director discussed his October visit to USPACOM where he met USPACOM Commander Adm Keating, PACFLT Commander Adm Willard, PACAF Commander Gen Hester, and USARPAC Commander Lt Gen Brown. Director informed Lee that while these general officers have a wide range of responsibilities, they are all very focused upon the cross-strait situation. Director Young told the Minister they were full of questions concerning our mil-mil relationship and his staff's support to AIT and U.S. efforts in Taiwan.

¶5. (C/NF) The Director acknowledged the receipt of the Minister's letter on F-16's and repeated that we had promptly forwarded it to Washington where such decisions are made. The Minister said he has been talking to the members of the LY to stress the importance of the new F-16s. He underscored the need to approve the F-16 item in the 2008 budget for the MND to execute the sale without restarting the justification and funding request next year. He reiterated Taiwan's desire to obtain price and availability from the U.S. as soon as possible but no later than "early next year" to meet Taiwan's defense needs.

¶6. (C/NF) The Director emphasized that while Taiwan is focused on acquisition of new weapon systems, it is important to keep track of the entire stockpile of weapons, spares, and logistic support for the existing systems. The Director also emphasized the importance of the human factor such as pilot training. The Minister affirmed as long as he is the minister, the F-16 training program at Luke Air Force Base will continue. He is looking forward to having similar training programs in the U.S. for the P-3C, AH-64D, and

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¶7. (S/NF) Referencing recent Taiwan news articles on SECDEF's visit to China, the Director assured Minister Lee that there has been no change to U.S. policy and that U.S. engagement with China will not come at the expense of Taiwan. He said that SECDEF is dispatching a member of his China delegation to brief Taiwan later this week.

¶8. (C/NF) The Director emphasized that the United States is neutral with regard to the upcoming Taiwan presidential elections. However, the U.S. expects to meet with the President-elect soon after the election to ensure our defense efforts remain on track.

¶9. (S/NF) The Director raised the discussion between Vice Minister Henry Ko and DAS Tom Christensen last week in Washington on missile development. He stressed the U.S. still feels Taiwan has not provided sufficient transparency on this subject and that we believe offensive missile development could be disruptive to the regional stability and might have legal implication in connection with the MTCR. He said Taiwan will not be able to match China in military terms. Taiwan must maintain the moral high ground and should not give the PRC an excuse to portray Taiwan as provoking conflict. The Minister averred Taiwan's commitment to avoiding war and maintaining a defensive capability. When the Minister informed us he would be seeing President Chen later in the day, the Director urged him to report Vice Minister Ko's exchange with DAS Christensen, which would build on the Director's own recent exchanges with Chen Shui-bien on this sensitive topic.

¶10. (S/NF) Comment. As in our previous meetings with the Defense Minister, he had key members of his senior staff arranged around the room, allowing us to convey USG positions to the CGS and others at the same time. Minister Lee has tried to improve on his predecessor's frosty relations with the Taiwan legislature, which could have contributed to his relative success at getting the 2008 defense budget out of committee largely intact. Minister Lee used this occasion to

highlight his strong support for our bilateral security ties,  
and to underscore the Taiwan military's official neutrality  
in the island's fractious politics

11. (SBU) This cable has been cleared by Director Stephen M.  
Young.  
YOUNG